



ANNUAL STATEMENT
For the Year Ending December 31, 2011
OF THE CONDITION AND AFFAIRS OF THE
McKinley Life Insurance Company

NAIC Group Code	0000 (Current Period)	,	0000 (Prior Period)	NAIC Company Code	77216	Employer's ID Number	341624818
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States of America						
Licensed as business type:	Life, Accident & Health[X] Dental Service Corporation[] Other[]			Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[]	
Incorporated/Organized	08/15/1989			Commenced Business	11/01/1989		
Statutory Home Office	2600 Sixth Street SW (Street and Number)				Canton, OH 44710 (City or Town, State and Zip Code)		
Main Administrative Office				2600 Sixth Street SW (Street and Number)			
	Canton, OH 44710 (City or Town, State and Zip Code)				(330)363-4057 (Area Code) (Telephone Number)		
Mail Address	2600 Sixth Street SW (Street and Number or P.O. Box)				Canton, OH 44710 (City or Town, State and Zip Code)		
Primary Location of Books and Records				2600 Sixth Street SW (Street and Number)			
	Canton, OH 44710 (City or Town, State and Zip Code)				(330)363-4057 (Area Code) (Telephone Number)		
Internet Website Address	www.aultcare.com						
Statutory Statement Contact	Jeffrey Alan Scheatzle (Name)				(330)363-4057 (Area Code)(Telephone Number)(Extension)		
	jscheatzle@aultman.com (E-Mail Address)				(330)363-5012 (Fax Number)		

OFFICERS

Name	Title
Rick L. Haines	President
William Wallace M.D.	Secretary
Mark D. Wright	Treasurer
Edward J. Roth III	Executive Vice President

OTHERS

DIRECTORS OR TRUSTEES

William Wallace M.D.
Christopher E. Remark
Rick L. Haines
Mark D. Wright
John B. Humphrey Jr., M.D.
Darryl J. Dillenback

Gregory A. Haban M.D.
Edward J. Roth III
Michael A. Rich M.D.
Michael R. Gallina
Timothy L. Hagen D.O.
Allen Rovner M.D.

State of Ohio
County of Stark ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Rick L. Haines	William Wallace	Mark D. Wright
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
day of , 2012

- a. Is this an original filing?
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
0199999 Total individuals						
0299998 Premium due and unpaid not individually listed	893,259	945,672	551,005			2,389,936
0299999 Total group	893,259	945,672	551,005			2,389,936
0399999 Premiums due and unpaid from Medicare entities						
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 15) ..	893,259	945,672	551,005			2,389,936

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed .....	.....	.....	.....	2,104,220	.....	2,104,220
0199999 Subtotal - Pharmaceutical Rebate Receivables .....	.....	.....	.....	2,104,220	.....	2,104,220
0299998 Claim Overpayment Receivables - Not Individually Listed	191,017	.....	.....	.....	.....	191,017
0299999 Subtotal - Claim Overpayment Receivables	191,017	.....	.....	.....	.....	191,017
0399998 Loans and Advances to Providers - Not Individually Listed .....	.....	.....	.....	.....	.....	.....
0399999 Subtotal - Loans and Advances to Providers .....	.....	.....	.....	.....	.....	.....
0499998 Capitation Arrangement Receivables - Not Individually Listed .....	.....	.....	.....	2,450,000	.....	2,450,000
0499999 Subtotal - Capitation Arrangement Receivables .....	.....	.....	.....	2,450,000	.....	2,450,000
0599998 Risk Sharing Receivables - Not Individually Listed .....	.....	.....	.....	.....	.....	.....
0599999 Subtotal - Risk Sharing Receivables .....	.....	.....	.....	.....	.....	.....
0699998 Other Receivables - Not Individually Listed .....	.....	.....	.....	.....	.....	.....
0699999 Subtotal - Other Receivables .....	.....	.....	.....	.....	.....	.....
0799999 Gross health care receivables	191,017	.....	.....	4,554,220	.....	4,745,238

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
0299999 Aggregate Accounts Not Individually Listed - Uncovered
0399999 Aggregate Accounts Not Individually Listed - Covered
0499999 Subtotals
0599999 Unreported claims and other claim reserves						41,115,317
0699999 Total Amounts Withheld
0799999 Total Claims Unpaid						41,115,317
0899999 Accrued Medical Incentive Pool and Bonus Amounts						2,693,514

21 Exhibit 5 - Amounts Due From Parent NONE

22 Exhibit 6 - Amounts Due to Parent NONE

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

		1	2	3	4	5	6
Payment Method		Direct Medical Expense Payment	Column 1 as a % of Total Payments	Total Members Covered	Column 3 as a % of Total Members	Column 1 Expenses Paid to Affiliated Providers	Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:							
1.	Medical groups	33,528,963	8.546	91,419	75.506	33,528,963	
2.	Intermediaries						
3.	All other providers						
4.	TOTAL Capitation Payments	33,528,963	8.546	91,419	75.506	33,528,963	
Other Payments:							
5.	Fee-for-service	57,603,039	14.682	X X X	X X X		57,603,039
6.	Contractual fee payments	301,201,688	76.772	X X X	X X X	70,407,120	230,794,568
7.	Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8.	Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9.	Non-contingent salaries			X X X	X X X		
10.	Aggregate cost arrangements			X X X	X X X		
11.	All other payments			X X X	X X X		
12.	TOTAL Other Payments	358,804,726	91.454	X X X	X X X	70,407,120	288,397,607
13.	TOTAL (Line 4 plus Line 12)	392,333,690	100.000	X X X	X X X	103,936,083	288,397,607

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4	5	6
NAIC Code	Name of Intermediary	Capitation Paid	Average Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC
		N O N E			
9999999 Totals			X X X	X X X	X X X

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

		1	2	3	4	5	6
Description		Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1.	Administrative furniture and equipment .....	.....	.....	.....	.....	.....	.....
2.	Medical furniture, equipment and fixtures	N O N E		.....	.....	.....	.....
3.	Pharmaceuticals and surgical supplies .....			.....	.....	.....	.....
4.	Durable medical equipment .....			.....	.....	.....	.....
5.	Other property and equipment .....			.....	.....	.....	.....
6.	TOTAL .....	.....	.....	.....	.....	.....	.....



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:
BUSINESS IN THE STATE OF OHIO DURING THE YEAR

NAIC Group Code 0000 NAIC Company Code 77216

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
TOTAL Members at end of:										
1. Prior Year	110,584	6,480	48,032			3,575	2,516	21,053		28,928
2. First Quarter	111,743	6,416	47,389	16		5,493	2,442	21,555		28,432
3. Second Quarter	114,964	6,410	48,074	26		7,200	2,394	21,649		29,211
4. Third Quarter	119,345	6,407	49,401	32		9,812	2,363	21,985		29,345
5. Current Year	121,075	6,390	50,095	44		10,233	2,411	22,202		29,700
6. Current Year Member Months	1,393,715	77,121	581,357	324		94,382	28,949	261,534		350,048
TOTAL Member Ambulatory Encounters for Year:										
7. Physician	300,054	17,296	146,821	30			10,441	125,466		
8. Non-Physician	926,959	42,497	372,184	114			27,038	485,126		
9. TOTAL	1,227,013	59,793	519,005	144			37,479	610,592		
10. Hospital Patient Days Incurred	45,478	985	10,927	8			1,014	32,544		
11. Number of Inpatient Admissions	8,303	215	2,502	1			175	5,410		
12. Health Premiums Written (b)	448,834,666	17,215,161	170,309,547	55,240		2,114,995	15,224,333	234,901,178		9,014,211
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	448,834,666	17,215,161	170,309,547	55,240		2,114,995	15,224,333	234,901,178		9,014,211
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	392,333,690	13,165,304	146,246,754	38,448		1,507,938	14,735,367	209,740,409		6,899,470
18. Amount Incurred for Provision of Health Care Services	402,187,805	13,541,641	149,153,050	38,448		1,507,938	15,059,216	215,359,761		7,527,752

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....234,956,418



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:
BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR
NAIC Group Code 0000 NAIC Company Code 77216

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
TOTAL Members at end of:										
1. Prior Year	110,584	6,480	48,032			3,575	2,516	21,053		28,928
2. First Quarter	111,743	6,416	47,389	16		5,493	2,442	21,555		28,432
3. Second Quarter	114,964	6,410	48,074	26		7,200	2,394	21,649		29,211
4. Third Quarter	119,345	6,407	49,401	32		9,812	2,363	21,985		29,345
5. Current Year	121,075	6,390	50,095	44		10,233	2,411	22,202		29,700
6. Current Year Member Months	1,393,715	77,121	581,357	324		94,382	28,949	261,534		350,048
TOTAL Member Ambulatory Encounters for Year:										
7. Physician	300,054	17,296	146,821	30			10,441	125,466		
8. Non-Physician	926,959	42,497	372,184	114			27,038	485,126		
9. TOTAL	1,227,013	59,793	519,005	144			37,479	610,592		
10. Hospital Patient Days Incurred	45,478	985	10,927	8			1,014	32,544		
11. Number of Inpatient Admissions	8,303	215	2,502	1			175	5,410		
12. Health Premiums Written (b)	448,834,666	17,215,161	170,309,547	55,240		2,114,995	15,224,333	234,901,178		9,014,211
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	448,834,666	17,215,161	170,309,547	55,240		2,114,995	15,224,333	234,901,178		9,014,211
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	392,333,690	13,165,304	146,246,754	38,448		1,507,938	14,735,367	209,740,409		6,899,470
18. Amount Incurred for Provision of Health Care Services	402,187,805	13,541,641	149,153,050	38,448		1,507,938	15,059,216	215,359,761		7,527,752

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....234,956,418

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Domiciliary Jurisdiction	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
NONE											
0999999 Total (Sum of 0399999 and 0699999)

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by
Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Paid Losses	Unpaid Losses
0799999 Total - Life and Annuity .....					.....	.....
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
66346	58-0828824 ...	01/01/2009	MUNICH AMER REASSUR CO	GA	1,072	.....
13647	26-4662908 ...	01/01/2010	PRESIDIO REINS CORP	MT	1,527,822	1,341,000
1199999 Subtotal - Accident and Health - Non-Affiliates - U.S. Non-Affiliates					1,528,894	1,341,000
1399999 Total - Accident and Health - Non-Affiliates					1,528,894	1,341,000
1499999 Total - Accident and Health					1,528,894	1,341,000
1599999 Total U.S. (Sum of 0199999, 0499999, 0899999 and 1199999)					1,528,894	1,341,000
1699999 Total Non-U.S. (Sum of 0299999, 0599999, 0999999 and 1299999) .....					.....	.....
1799999 Total (Sum of 0799999 and 1499999)					1,528,894	1,341,000

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Affiliates - Non-U.S. Affiliates												
93440	06-1041332	04/01/2008	HM LIFE INS CO	PA	SSL/A/I	800,744						
13647	26-4662908	01/01/2009	PRESIDIO REINS CORP	MT	SSL/A/I	9,916,552		1,341,000				
0299999 Subtotal - General Account - Authorized - Affiliates - Non-U.S. Affiliates						10,717,295		1,341,000				
0399999 Total - General Account - Authorized - Affiliates						10,717,295		1,341,000				
0799999 Total - General Account Authorized						10,717,295		1,341,000				
1499999 Total - General Account - Unauthorized												
1599999 Total - General Account - Authorized and Unauthorized						10,717,295		1,341,000				
2299999 Total - Separate Accounts - Authorized												
2999999 Total - Separate Accounts - Unauthorized												
3099999 Total - Separate Accounts - Authorized and Unauthorized												
3199999 Total U.S. (Sum of 0199999, 0499999, 0899999, 1199999, 1699993, 1999999, 2399999 and 2699999)												
3299999 Total Non-U.S. (Sum of 0299999, 0599999, 0999999, 1299999, 1799999, 2099999, 2499999 and 2799999)						10,717,295		1,341,000				
3399999 Total (Sum of 1599999 and 3099999)						10,717,295		1,341,000				

SCHEDULE S - PART 4
Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	Letter of Credit Issuing or Confirming Bank (a)			13	14	15	16	17
									10	11	12					
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	American Bankers Association (ABA) Routing Number	Letter of Credit Code	Bank Name	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+13+14 +15+16 But Not in Excess of Col. 8
2599999 Total (Sum of 1599999 and 2299999) X X X ...	. X X X .	..... X X X .....	.....	.....	.....	.....	.....

(a)

Code	American Bankers Association (ABA) Routing Number	N O N E		me
.....		

SCHEDULE S - PART 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2011	2 2010	3 2009	4 2008	5 2007
A. OPERATIONS ITEMS					
1. Premiums	9,917	10,048	12,952	12,596	14,981
2. Title XVIII-Medicare	801	791	740	648	619
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. TOTAL Hospital and Medical Expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses	1,529	20	1,950	4,551	5,274
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)				4,966	4,768
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6
Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	104,680,056		104,680,056
2. Accident and health premiums due and unpaid (Line 15)	2,389,936		2,389,936
3. Amounts recoverable from reinsurers (Line 16.1)	1,528,894	(1,528,894)	
4. Net credit for ceded reinsurance	X X X	2,869,894	2,869,894
5. All other admitted assets (Balance)	13,534,989		13,534,989
6. TOTAL Assets (Line 28)	122,133,875	1,341,000	123,474,875
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	39,774,317	1,341,000	41,115,317
8. Accrued medical incentive pool and bonus payments (Line 2)	2,693,514		2,693,514
9. Premiums received in advance (Line 8)	2,695,899		2,695,899
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19)			
11. Reinsurance in unauthorized companies (Line 20)			
12. All other liabilities (Balance)	19,534,049		19,534,049
13. TOTAL Liabilities (Line 24)	64,697,779	1,341,000	66,038,779
14. TOTAL Capital and Surplus (Line 33)	57,436,096	X X X	57,436,096
15. TOTAL Liabilities, Capital and Surplus (Line 34)	122,133,875	1,341,000	123,474,875
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid	1,341,000		
17. Accrued medical incentive pool			
18. Premiums received in advance			
19. Reinsurance recoverable on paid losses	1,528,894		
20. Other ceded reinsurance recoverables			
21. TOTAL Ceded Reinsurance Recoverables	2,869,894		
22. Premiums receivable			
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers			
24. Unauthorized reinsurance			
25. Other ceded reinsurance payables/offsets			
26. TOTAL Ceded Reinsurance Payables/Offsets			
27. TOTAL Net Credit for Ceded Reinsurance	2,869,894		

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

Direct Business only						
	1	2	3	4	5	6
States, Etc.	Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	Totals
1. Alabama (AL)						
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)						
5. California (CA)						
6. Colorado (CO)						
7. Connecticut (CT)						
8. Delaware (DE)						
9. District of Columbia (DC)						
10. Florida (FL)						
11. Georgia (GA)						
12. Hawaii (HI)						
13. Idaho (ID)						
14. Illinois (IL)						
15. Indiana (IN)						
16. Iowa (IA)						
17. Kansas (KS)						
18. Kentucky (KY)						
19. Louisiana (LA)						
20. Maine (ME)						
21. Maryland (MD)						
22. Massachusetts (MA)						
23. Michigan (MI)						
24. Minnesota (MN)						
25. Mississippi (MS)						
26. Missouri (MO)						
27. Montana (MT)						
28. Nebraska (NE)						
29. Nevada (NV)						
30. New Hampshire (NH)						
31. New Jersey (NJ)						
32. New Mexico (NM)						
33. New York (NY)						
34. North Carolina (NC)						
35. North Dakota (ND)						
36. Ohio (OH)						
37. Oklahoma (OK)						
38. Oregon (OR)						
39. Pennsylvania (PA)						
40. Rhode Island (RI)						
41. South Carolina (SC)						
42. South Dakota (SD)						
43. Tennessee (TN)						
44. Texas (TX)						
45. Utah (UT)						
46. Vermont (VT)						
47. Virginia (VA)						
48. Washington (WA)						
49. West Virginia (WV)						
50. Wisconsin (WI)						
51. Wyoming (WY)						
52. American Samoa (AS)						
53. Guam (GU)						
54. Puerto Rico (PR)						
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CN)						
58. Aggregate other alien (OT)						
59. TOTALS						

NONE

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control Ownership, Board, Management, Attorney-in-Fact, Influence, Other	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
		00000	34-1445390				Aultman Health Foundation	US	UDP	Aultman Health Foundation	Board of Directors		Aultman Health Foundation	
		00000	34-0714538				Aultman Hospital	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
		77216	34-1624818				McKinley Life Insurance Company	US	OTH	Self	Ownership	100.0	Aultman Health Foundation	
		00000	34-1488123				AultCare Corporation	US	IA	Aultman Health Foundation & Stark County Care Physicians, Inc	Other		Aultman Health Foundation	1
		00000	20-0090246				West Tuscarawas Property Management, LLC	US	DS	McKinley Life Insurance Company	Ownership	94.0	Aultman Health Foundation	
		00000	34-1795772				McKinley Life Insurance Agency, Ltd.	US	DS	McKinley Life Insurance Company	Ownership	100.0	Aultman Health Foundation	
		00000	20-4951704				Aultra Administrative Group	US	IA	AultCare Corporation	Management		Aultman Health Foundation	
		00000	27-4379962				AultComp MCO, Inc.	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
		00000	34-1853300				Ohio Specialty Physician's Corporation	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	
		00000	98-0468384				McKinley Assurance Segregated Portfolio Company (SPC)	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
		00000	20-1359433				Aultman College of Nursing and Health Sciences	US	NIA	Aultman Hospital	Ownership	100.0	Aultman Hospital	
		00000	31-1509904				Aultman MSO, Inc.	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	
		00000	20-8090459				The Aultman Foundation	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
		00000	31-1509897				Ohio Physicians Professional Corporation	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	
		00000	34-1610344				North Central Medical Resources	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
		00000	34-1871647				Ohio Hospital Based Physician Corporation	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	
		00000	31-1689698				Tuscarawas Valley Regional Cancer Center	US	NIA	Other	Ownership, Board of Directors	50.0	Aultman Health Foundation	2
		00000	13-4246188				Acute Care Specialty Hospital at Aultman, LLC	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
		00000	34-1243260				Canton Medical Education Foundation	US	NIA	Other	Ownership, Board of Directors	50.0	Aultman Hospital	3
		00000	34-1388891				Aultman Development Institute	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
		00000												

Asterisk	Explanation
0000001	AultCare Corporation's governance is controlled by Aultman Health Foundation 50% and Stark Quality Care Physicians, Inc 50%, 100% of equity owned by Aultman Health Foundation
0000002	Tuscarawas Valley Regional Cancer Center is controlled by Aultman Health Foundation 50% and a non-insurance affiliate entity Union Hospital 50%
0000003	Canton Medical Education Foundation is controlled by Aultman Hospital 50% and a non-insurance affiliate entity Mercy Medical Center 50%

SCHEDULE Y
PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
.. 77216 ..	.. 34-1624818 ..	MCKINLEY LIFE INS CO ..	.....	.....	.....	.....	..... (2,938,556)	.....	.....	..... 9,018,504	..... 6,079,948	.....
.....	.. 34-1445390 ..	Aultman Health Foundation ..	.....	.....	.....	.....	..... 1,253,258	.....	.....	.....	..... 1,253,258	.....
.....	.. 34-0714538 ..	Aultman Hospital ..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.. 34-1488123 ..	AultCare Corporation ..	.....	.....	.....	.....	..... 1,685,298	.....	.....	..... (9,018,504)	..... (7,333,206)	.....
9999999 Control Totals .....			.....	.....	.....	.....	.....	.....	X X X	.....	.....	.....

Schedule Y Part 2 Explanation: Column 7 is expenses incurred by McKinley Life Insurance Company for management services provided by AultCare Corporation. Column 8 is expenses paid by McKinley Life Insurance Company for rent and management services provided by Aultman Health Foundation.

SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

- MARCH FILING
- 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? Yes
 - 2. Will an actuarial opinion be filed by March 1? Yes
 - 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? Yes
 - 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? Yes

- APRIL FILING
- 5. Will Management's Discussion and Analysis be filed by April 1? Yes
 - 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? Yes
 - 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? Yes

- JUNE FILING
- 8. Will an audited financial report be filed by June 1? Yes
 - 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? Yes

- AUGUST FILING
- 10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? Yes

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

- MARCH FILING
- 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? Yes
 - 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? No
 - 13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? No
 - 14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? No
 - 15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? No
 - 16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? No
 - 17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? No
 - 18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be file electronically with the NAIC by March 1? No
 - 19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? No
 - 20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? No

- APRIL FILING
- 21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? No
 - 22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? No
 - 23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? No
 - 24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? Yes
 - 25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1? Yes

- AUGUST FILING
- 26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? No

Explanations:

Bar Codes:

Health Life Supplement

77216201120500000 2011 Document Code: 205

Health Property / Casualty Supplement

77216201120700000 2011 Document Code: 207

Schedule SIS

77216201142000000 2011 Document Code: 420

Actuarial Opinion on Participating and Non-Participating Policies

77216201137100000 2011 Document Code: 371

Statement of Non-Guaranteed Elements for Exhibit 5

77216201137000000 2011 Document Code: 370

Medicare Part D Coverage Supplement

77216201136500000 2011 Document Code: 365

Approval for Relief related to five-year rotation for lead Audit Partner

77216201122400000 2011 Document Code: 224

Approval for Relief related to one-year cooling off period for inde. CPA

77216201122500000 2011 Document Code: 225

Approval for Relief related to Require. for Audit Committees

77216201122600000 2011 Document Code: 226

LTC Supplemental Interrogatories

77216201130600000 2011 Document Code: 306

SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES (continued)

Health Life Supplement - LHA Guaranty Association Reconciliation



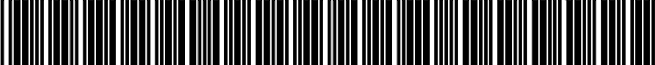
77216201121100000 2011 Document Code: 211

Health Property/Casualty Supplement - Insurance Expense Exhibit



77216201121300000 2011 Document Code: 213

Management's Report of Internal Control over Financial Reporting



77216201122300000 2011 Document Code: 223

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT
For The Year Ended December 31, 2011
(To be filed by March 1)
FOR THE STATE OF OHIO



NAIC Group Code: 0000
Address (City, State and Zip Code): Canton, OH 44710
Person Completing This Exhibit: Jeffrey Alan Scheatzle

NAIC Company Code: 77216
Title: Director of Finance
Telephone: (330)363-4057-

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2008				Policies Issued in 2009, 2010, 2011			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
Total Experience on Individual Policies																	
N/A		A	Yes	3,4	06/03/2010				PRIMETIME Choices					4,396	4,390	99.9	3
N/A		F	Yes	3,4	06/03/2010				PRIMETIME Choices					48,707	33,632	69.0	39
N/A		M	Yes	3,4	06/03/2010				PRIMETIME Choices					1,417	402	28.4	1
N/A		N	Yes	3,4	06/03/2010				PRIMETIME Choices					720	24	3.3	1
0199999 Total Experience on Individual Policies														55,240	38,448	69.6	44
0299999 Total Experience on Group Policies																	

GENERAL INTERROGATORIES

- If response in Column 1 is no, give full and complete details:
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 - Address:
 - Contact Person and Phone Number:
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B)
 - Address:
 - Contact Person and Phone Number:
- Explain any policies identified above as policy type "O":

Supp12 Ohio

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